

General

Baking

ADMINISTRATIVE FILE  
*General Baking Co.*  
X  
X

August 15, 1962

Mr. Wandall Phillips  
Teamsters Local Union No. 484  
2450 17th Street  
San Francisco, California

Dear Sir and Brother:

The enclosed copy of a letter from General Baking is  
forwarded for your information and any comments  
you care to make.

Fraternally yours,

James R. Hoffa  
General President

JRH/alb  
Encl.

GENERAL BAKING COMPANY  
122 EAST FORTY-SECOND STREET  
NEW YORK 17, N. Y.

OFFICE OF VICE PRESIDENT

August 14, 1962

Mr. James R. Hoffa, General President  
International Brotherhood of Teamsters  
25 Louisiana Avenue, N.W.  
Washington 1, D. C.

Dear Mr. Hoffa:

Your teamster bakery drivers are losing jobs and earnings because our plants are not competitive with non-union and sweetheart-union bakeries located within and outside of every market where we do business. First, their production costs are lower. Second, their delivery costs are lower.

In Philadelphia, Pennsylvania, a conservative estimate indicates that over 500,000 loaves of 1½¢ cheap bread are being shipped in each week by Hershey Baking Company of York, Penna., a non-union baker; and by Schultz Baking Company of Pottstown, Penna., a sweetheart-union baker with Teamster supply truck and bob-tailer members. Naturally, we must meet this competition and produce substantial additional quantities of similar low-priced bread. This drastically reduces the sales volume of our regular 26¢ loaf of bread.

In Buffalo, New York, a conservative estimate indicates that over 200,000 loaves of cheap bread are being shipped in each week by Strohmann Baking Company of Olean, New York, a non-union baker, with Mine Worker drivers (sweetheart deal with complete flexibility); and by Pirch Baking Company of Erie, Penna., a sweetheart union baker with Teamster supply truck operators. At least 30 teamster commission-type salesmen have lost their jobs and the remaining several hundred have lost considerable earnings.

In Baltimore, Maryland, General Baking Company (wholesale and retail) and Ward Baking Company (wholesale only) have suffered for many years because of unfair competition by as many as 10 non-union bakers.

In Washington, D. C., the union bakers lost a \$1,500,000 annual contract from the Military District to a non-union baker by the name of Kern's Steam Bakery, shipping in from Lynchburg, Virginia - 175 miles away.

In Norfolk, Virginia, General Baking Company and Merchants Bakery are the only union bakers. Here again your members and our company has suffered immeasurably by many non-union bakers, the foremost being Kotarides Baking Co.

In Wheeling, West Virginia, and Canton, Ohio, General Baking Co. and several others have had teamster drivers for many years. About a year or so ago, the Storck Baking Company of Parkersburg, West Virginia (production and sales people organized by the American Bakery and Confectionery Workers-AFL-CIO) underbid us and other union bakers for private label bread in 150 Tusco A.G. Stores throughout Ohio and West Virginia. The deliveries are drop shipments by supply truck which results in considerably lower delivery cost than we must pay under our teamster contracts. However, we lost out and so did your drivers in those two plants.

The above are examples of our mutual problems. A more detailed list is attached.

As I have mentioned before, I have dealt with the Teamsters for 26 years and have always enjoyed doing business with them. I feel, however, that the local business agents need financial and manpower help in solving this immense problem which in many cases is created by bakers outside of their jurisdiction. A coordinated organizing effort initiated and guided by you, as International President, would do much to help your teamster bakery drivers and their employers with teamster contracts.

Sincerely,

*J. A. Jansson*  
J. A. Jansson



Philadelphia, Pennsylvania (Including Southern New Jersey)

Non-Union

Hershey Baking Co.  
York, Penna.

Horn & Harhart Baking Co.  
Philadelphia, Penna.

Tasty Baking Co.  
Philadelphia, Penna.

Pepperidge Farm Bakery  
(Campbell Soup Co. subsidiary)  
Downingtown, Penna.

Ginsburg's Bakery  
Atlantic City, N. J.

Mighty Good Baking Co.  
Camden, N. J.

Schultz Baking Co.  
Pottstown, Penna.

New England - Hartford, Conn., Providence, R. I.,  
Springfield, Mass., Worcester, Mass.,  
Boston, Mass., etc.

Non-Union

M. & M. Bakeries (Boston area)  
Dover, N. H.

Annadama Baking Co. (Boston area)  
Rockport, Mass.

My Bread Baking Co. (R.I., Mass.)  
New Bedford, Mass.

Cushman Baking Co. (Maine, N.H., Mass.)  
Portland, Maine  
Lynn, Mass.

Schultz Baking Co. (Conn., Mass.)  
Pottstown, Penna.

New England (cont'd.)

Non-Union

United Baking Co. (Conn., Mass.)  
Schenectady, N. Y.

Homestead Baking Co. (R.I.)  
Providence, R. I.

Distributors of  
Genest Bros., Inc. (Mass., R.I., Conn.)  
Manchester, N. H.

Superior Bakery, Inc. (Mass., Conn.)  
No. Grosvenordale, Conn.

Chas. Frahofer Baking Co. (Mass., Conn.)  
Albany, N. Y.

Newark, New Jersey (Northern New Jersey)

Schultz Baking Co. (Gourmet)  
Pottstown, Penna.

Heimbach Baking Co.  
Allentown, Penna.

United Baking Co.  
Schenectady, N. Y.

Capital Bakers  
Pottsville, Penna.

New York City

Heimbach Baking Co.  
Allentown, Pa.

Schultz Baking Co. (Gourmet)  
Pottstown, Penna.

Spaulding Bakeries  
Hazleton, Penna.

New York City (cont'd.)

United Baking Co.  
Schenectady, N. Y.

Arnold Bakers (Franchise Salesmen)  
Port Chester, N. Y.

Pepperidge Farm, Inc. (Franchise Salesmen)  
Norwalk, Conn.

Northern New York (Albany, Syracuse, Rochester,  
Buffalo, Utica, etc.)

United Baking Co. (Albany)  
Schenectady, N. Y.

Chas. Fraihofer Baking Co. (Albany, Saratoga)  
Albany, N. Y.  
Troy, N. Y.

Groes Baking Co. (Saratoga, N. Y.)  
Montpelier, Vermont

Stroehmann Bros. Co. (Buffalo, Rochester,  
Jamestown, Syracuse)  
Glean, N. Y.  
Sayre, Penna.

Piroh Baking Co. (Isamster supply trucks -  
Buffalo-Jamestown)  
Erie, Penna.

Baltimore, Maryland

Amrhein Bros. Co.  
Baltimore, Md.

Hausweld Bakery  
Baltimore, Md.

E. H. Koester Bakery Co.  
Baltimore, Md.

Baltimore, Md. (cont'd.)

Rice's Bakery (The City Baking Co.)  
Baltimore, Md.

Schmidt Baking Co.  
Baltimore, Md.

Capital Bakers  
Cockeysville, Penna.

Oriole Baking Co.  
Baltimore, Md.

Jere Walters Baking Co.  
Baltimore, Md.

Athens Baking Co.  
Baltimore, Md.

H. & S. Bakery  
Baltimore, Md.

Weying's Bakery (Teamster Transport Trucks only)  
Baltimore, Md.

Glade Valley Products, Inc. (Frederick, Md.)  
Walkersville, Md.

Washington, D. C.

Kern's Steam Bakery  
Lynchburg, Va.

E. H. Koester Bakery Co.  
Baltimore, Md.

Schmidt Baking Co.  
Baltimore, Md.

Schmidt Baking Co.  
Martinsburg, W. Va.

The Hausweld Bakery  
Baltimore, Md.

Royal Baking Co.  
Front Royal, Va.

Norfolk, Va.

Kotarides Baking Co.  
Norfolk, Va.

Beck's City Bakery  
Newport News, Va.

Hall' Products, Inc.  
Portsmouth, Va.

Molde Bros.  
Norfolk, Va.

New Orleans, La.

Holsum Bakeries (have 50% of market)  
New Orleans, La.

Heebe's Bakery  
Gretna, La.

Canton, Ohio

Storck Baking Co. (ABC-AFL-CIO)  
Parkersburg, W. Va.

Wheeling, W. Va.

Storck Baking Co. (ABC-AFL-CIO)  
Parkersburg, W. Va.

Kennedy's Bakery  
Cambridge, Ohio

Rich-Loaf Bakeries  
Newark, Ohio and Marietta, Ohio

Quimby's Holsum Bakery  
Uhrichsville, Ohio

Betsy Ross Bakeries  
Blaine, W. Va.  
W. Williamson, W. Va.



Columbus, Ohio

Schaefer's, Inc.  
Springfield, Ohio

Rich-Loaf Bakeries  
Newark, Ohio and Marietta, Ohio

Pennington Bread  
Washington Court House, Ohio

Perfection Bakery  
Muncie, Ind.

Oklahoma City, Okla.

Golden Crust Bakery  
Alva, Okla.

Mead's Bakery  
Lawton, Okla.  
Ada, Okla.

Scott's Holsum Bakery  
Lawton, Okla.

Van's Baking Co.  
Edmond, Okla.

Bille Bakeries  
Chickasha, Okla.  
Clinton, Okla.

Strain's Bakery  
Duncan, Okla.

Turner Baking Co.  
Durant, Okla.

Andy's Bakery  
Moberg, Okla.

Ford's Bakery  
Heraldton, Okla.

John Small Bakery  
Ardmore, Okla.

Oklahoma City, Okla. (cont'd.)

Schwauke Bakery  
Sulphur, Okla.

Martha Ann Bakery  
Shawnee, Okla.

Maywood Bakery  
Okla. City, Okla.

Pearlross Bakery  
Yale, Okla.

Tulsa, Oklahoma

Golden Krust Bakery  
Alva, Okla.

Wichita, Kansas

Betts Baking Co.  
Hutchinson, Kansas

Dillon Bakeries  
Wichita, Kansas

Bogert Bakery  
Concordia, Kansas

ADMINISTRATIVE FILE

*General Baking Co.*

*File*  
GENERAL BAKING COMPANY - X

122 EAST FORTY-SECOND STREET  
NEW YORK 17, N. Y.

OFFICE OF VICE PRESIDENT

April 18, 1962

Mr. James R. Hoffa, General President  
International Brotherhood of Teamsters  
25 Louisiana Avenue, N.W.  
Washington 1, D. C.

Dear Mr. Hoffa:

One of the major factors adversely affecting the profitability of our plants and the job security of your members is cheap bread in every market - bread produced by non-union or sweetheart union bakeries, and delivered by supply truck drivers, bobtailers, distributors and jobbers on a low-cost basis.

Your friends, the bakers with commission-type Teamster labor agreements, cannot compete with these out-of-town bakers because of the substantially higher distribution cost.

For example, in Philadelphia, Pa. we estimate that over 500,000 loaves of 15¢ cheap bread are being shipped in each week by non-union and other low-paying bakers. Naturally, we must meet this competition and produce substantial additional quantities of similar low-priced bread. This drastically reduces the sales volume of our regular 26¢ loaf of bread.

In other words, the baking industry is in a difficult profit squeeze. Your Union continues to press for higher wages and fringe benefits. We, as bakers, cannot get price relief to pay for these increased labor costs. As a matter of fact, the average price per loaf of bread today is substantially below that of last year and prior years.

Every business enterprise must continually weigh its income against its outgo if it is to survive. No company can go on indefinitely paying increasing amounts to its employees without increasing its income.

Don't you realize that your negotiating successes will ultimately result in a failure for you and your bakery driver members as well as for us?

- 2 -

One way to provide your unionized baking companies with some relief is to educate your members on the value of wage increase restraint.

Another way to provide relief is for your Union to organize the unorganized, and thereby equalize our labor cost.

In the meantime, your Union should make available to us the same warehouse and store drop delivery method which your Erie, Pa. local granted to the Fitch Baking Company.

Only you, as General President of the Teamsters International Union, can do the quick job needed to protect your bakery driver union members. Otherwise, more and more will lose their jobs through bakery and agency closings.

Sincerely,

*J. A. Jonsson*  
J. A. Jonsson

/j1

ADMINISTRATIVE FILE

General Baking Co. *file*

April 18, 1962

Mr. James P. Hoffa, General President  
International Brotherhood of Teamsters  
25 Louisiana Avenue, N.W.  
Washington 1, D. C.

Dear Mr. Hoffa:

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Only you, as General President of the Teamsters International Union, can do the quick job needed to protect your bakery driver union members. Otherwise, more and more will lose their jobs through bakery and agency closings.

Sincerely,

*J. A. Jansson*  
J. A. Jansson

/s/

cc: Messrs. Harold Gibbons ✓  
John Backhus  
Thomas Flynn



**BONBONO**  
brings you  
EXTRA RICH FLAVOR

Mr. Harold Gibbons, Pres.  
Exec. Asst. to Gen. M.  
Intl. Brotherhood of Teachers  
15 Louisiana Avenue, N.Y.  
Washington 1, D. C.

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RECEIVED  
C. M. B. B. A.



GENERAL BAKING COMPANY  
12 EAST 10TH STREET  
NEW YORK 17, N. Y.

ADMINISTRATIVE FILE  
General Baking Co.  
2

August 14, 1962

Mr. James A. Ruffa, General President  
International Brotherhood of Teamsters  
25 Louisiana Avenue, N.W.  
Washington 1, D. C.

Dear Mr. Ruffa:

Your teamster bakery drivers are losing jobs and earnings because our plants are not competitive with non-union and sweetheart-union bakeries located within and outside of every market where we do business. First, their production costs are lower. Second, their delivery costs are lower.

In Philadelphia, Pennsylvania, a conservative estimate indicates that over 300,000 loaves of 1 1/2 cheap brand are being shipped in each week by Hershey Baking Company of York, Penna., a non-union baker, and by Schultz Baking Company of Pottstown, Penna., a sweetheart-union baker with Teamster supply truck and helper members. Naturally, we must meet this competition and produce substantial additional quantities of similar low-priced bread. This drastically reduces the sales volume of our regular 2 1/2 loaf of bread.

In Buffalo, New York, a conservative estimate indicates that over 200,000 loaves of cheap bread are being shipped in each week by Streibman Baking Company of Olean, New York, a non-union baker, with Mine Worker drivers (sweetheart deal with complete flexibility), and by Pirah Baking Company of Erie, Penna., a sweetheart union baker with Teamster supply truck operators. At least 30 teamster commission-type salesmen have lost their jobs and the remaining several hundred have lost considerable earnings.

In Baltimore, Maryland, General Baking Company (wholesale and retail) and Ward Baking Company (wholesale only) have suffered for many years because of unfair competition by as many as 10 non-union bakers.

In Washington, D. C., the union bakers lost a \$1,500,000 annual contract from the Military District to a non-union baker by the case of Kern's Steam Bakery, shipping in from Lynchburg, Virginia - 175 miles away.

In Norfolk, Virginia, General Baking Company and Marshalls Bakery are the only union bakers. Here again your members and our company has suffered immeasurably by many non-union bakers, the foremost being Katerides Baking Co.

In Wheeling, West Virginia, and Centos, Ohio, General Baking Co. and several others have had teamster drivers for many years. About a year or so ago, the Storck Baking Company of Parkersburg, West Virginia (production and sales people organized by the American Bakery and Confectionery Workers-AFL-CIO) underbid us and other union bakers for private label bread in 150 cases A.C. Stores throughout Ohio and West Virginia. The deliveries are drop shipments by supply truck which results in considerably lower delivery cost than we must pay under our teamster contracts. However, we lost out and as did your drivers in these two places.

The above are examples of our actual problems. A more detailed list is attached.

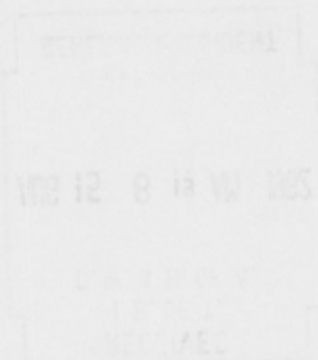
As I have mentioned before, I have dealt with the Teamsters for 26 years and have always enjoyed doing business with them. I feel, however, that the local business agents need financial and manpower help in solving this license problem which in many cases is created by bakers outside of their jurisdictions. A coordinated organizing effort initiated and guided by you, as International President, would do much to help your teamster bakery drivers and their employers with teamster contracts.

Sincerely,

*J. A. Jonsson*  
J. A. Jonsson

/s/

cc: Messrs. Harold Gibbons ✓  
John Backhus  
Thomas Flynn



Philadelphia, Pennsylvania (Including Southern New Jersey)

Non-Union

Hershey Baking Co.  
York, Penna.

Mann & Hardert Baking Co.  
Philadelphia, Penna.

Tasty Baking Co.  
Philadelphia, Penna.

Pepperidge Farm Bakery  
(Campbell Soup Co. subsidiary)  
Lewistown, Penna.

Ginsburg's Bakery  
Atlantic City, N. J.

Mighty Good Baking Co.  
Camden, N. J.

Schultz Baking Co.  
Pottstown, Penna.

New England - Hartford, Conn., Providence, R. I.,  
Springfield, Mass., Worcester, Mass.,  
Boston, Mass., etc.

Non-Union

M. & M. Bakeries (Boston area)  
Lever, N. H.

Assorted Baking Co. (Boston area)  
Rockport, Mass.

My Bread Baking Co. (N.H., Mass.)  
New Bedford, Mass.

Cushman Baking Co. (Maine, N.H., Mass.)  
Portland, Maine  
Lynn, Mass.

Schultz Baking Co. (Conn., Mass.)  
Pottstown, Penna.



New England (cont'd.)

Non-Main

United Baking Co. (Conn., Mass.)  
Schenectady, N. Y.

Homestead Baking Co. (R.I.)  
Providence, R. I.

Distributors of  
Gesset Bros., Inc. (Mass., R.I., Conn.)  
Manchester, N. H.

Superior Bakery, Inc. (Mass., Conn.)  
St. Greenough, Conn.

Chas. Frohner Baking Co. (Mass., Conn.)  
Albany, N. Y.

Newark, New Jersey (Northern New Jersey)

Schultz Baking Co. (Gourmet)  
Pottstown, Penna.

Heimbach Baking Co.  
Allentown, Penna.

United Baking Co.  
Schenectady, N. Y.

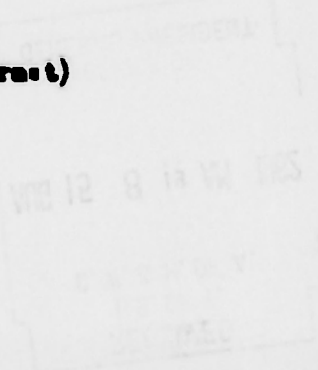
Capital Bakers  
Pottsville, Penna.

New York City

Heimbach Baking Co.  
Allentown, Pa.

Schultz Baking Co. (Gourmet)  
Pottstown, Penna.

Specialty Bakes  
Hackett, Penna.



New York City (cont'd.)

United Baking Co.  
Schenectady, N. Y.

Arnold Bakers (Franchise Salesmen)  
Port Chester, N. Y.

Pepperidge Farm, Inc. (Franchise Salesmen)  
Norwalk, Conn.

Northern New York (Albany, Syracuse, Rochester,  
Buffalo, Utica, etc.)

United Baking Co. (Albany)  
Schenectady, N. Y.

Chas. Freibauer Baking Co. (Albany, Saratoga)  
Albany, N. Y.  
Troy, N. Y.

Greene Baking Co. (Saratoga, N. Y.)  
Montpelier, Vermont

Streckhausen Bros. Co. (Buffalo, Rochester,  
Jamestown, Syracuse)  
Olean, N. Y.  
Sayre, Penna.

Fireh Baking Co. (Icecream supply trucks -  
Buffalo-Jamestown)  
Erie, Penna.

Baltimore, Maryland

Marheim Bros. Co.  
Baltimore, Md.

Kauswald Bakery  
Baltimore, Md.

E. H. Keester Bakery Co.  
Baltimore, Md.

Baltimore, Md. (cont'd.)

Rice's Bakery (The City Baking Co.)  
Baltimore, Md.

Schmidt Baking Co.  
Baltimore, Md.

Capital Bakers  
Cockeysville, Penna.

Orion Baking Co.  
Baltimore, Md.

Jerome Walters Baking Co.  
Baltimore, Md.

Athens Baking Co.  
Baltimore, Md.

H. & S. Bakery  
Baltimore, Md.

Boying's Bakery (Teamster Transport Truck only)  
Baltimore, Md.

Glade Valley Products, Inc. (Frederick, Md.)  
Walkersville, Md.

Washington, D. C.

Kern's Steam Bakery  
Lynchburg, Va.

L. M. Rooster Bakery Co.  
Baltimore, Md.

Schmidt Baking Co.  
Baltimore, Md.

Schmidt Baking Co.  
Martinsburg, W. Va.

The Kaurwald Bakery  
Baltimore, Md.

Royal Baking Co.  
Front Royal, Va.

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Norfolk, Va.

Kotarides Baking Co.  
Norfolk, Va.

Dean's City Bakery  
Newport News, Va.

Hall's Prodnets, Inc.  
Portsmouth, Va.

Sells Bros.  
Norfolk, Va.

New Orleans, La.

Molson Bakeries (have X's of corker)  
New Orleans, La.

Reese's Bakery  
Gretna, La.

Cent.- Ohio

Storck Baking Co. (ABC-AFL-CIO)  
Parkersburg, W. Va.

Wheeling, W. Va.

Storck Baking Co. (ABC-AFL-CIO)  
Parkersburg, W. Va.

Keeney's Bakery  
Cambridge, Ohio

Rich-leaf Bakeries  
Newark, Ohio and Marietta, Ohio

Winby's Malum Bakery  
Chickadee, Ohio

Betsy Ross Bakeries  
Bluefield, W. Va.  
W. Williamson, W. Va.

Columbus, Ohio

Schaefer's, Inc.  
Springfield, Ohio  
Rich-Leaf Bakeries  
Newark, Ohio and Marietta, Ohio  
Pennington Bread  
Washington Court House, Ohio  
Perfection Bakery  
Muncie, Ind.

Oklahoma City, Okla.

Golden Crust Bakery  
Alva, Okla.  
Mead's Bakery  
Lawton, Okla.  
Ida, Okla.  
Scott's Molasses Bakery  
Lawton, Okla.  
Van's Baking Co.  
Edmond, Okla.  
Mills Bakeries  
Chickasha, Okla.  
Clinton, Okla.  
Strain's Bakery  
Duncan, Okla.  
Turner Baking Co.  
Forest, Okla.  
Andy's Bakery  
Hobart, Okla.  
Ford's Bakery  
Haskell, Okla.  
John Small Bakery  
Armore, Okla.



Oklahoma City, Okla. (cont'd.)

Schwaube Bakery  
Sulphur, Okla.

Martha Ann Bakery  
Chavnes, Okla.

Maywood Bakery  
Okla. City, Okla.

Peerless Bakery  
Yale, Okla.

Tulsa, Oklahoma

Golden Krust Bakery  
Alva, Okla.

Wichita, Kansas

Bette Baking Co.  
Hutchinson, Kansas

Ellen Bakeries  
Wichita, Kansas

Bohart Bakery  
Concordia, Kansas

General Baking Co.

March 21, 1962

Mr. James A. Hoffa, General President  
International Brotherhood of Teamsters  
25 Louisiana Avenue, N.W.  
Washington 1, D. C.

Dear Mr. Hoffa:

On March 19, Mr. Gibbons and I discussed the problem of how to salvage the Home Service and Wholesale Bakery Drivers who are members of your Union. We also discussed allied problems adversely affecting the baking industry.

I am writing you again because yesterday, March 20, I had the unfortunate occasion of advising your Fitchburg, Massachusetts Business Agent, Oscar Johnson, that General Baking Company must close the Home Service operation in his area on April 14, 1962. Economic reasons compel the closing.

We closed our Dover, New Hampshire Home Service Agency on March 17 for the same reason. There were 28 routes in Dover and 26 routes in Fitchburg. You are losing about 60 Teamster members.

We anticipate closing several more agencies in New England over the next few months. Other Home Service closings will take place in every part of the entire Atlantic Coast area.

As I mentioned to you in my letter of March 8, you have lost better than 600 members - Bakery Drivers - during the past nine months in the east. You stand to lose, over the next twelve months, as many as 2,000 members in addition - Bakery Drivers.

One of the major factors causing all this trouble is cheap bread in every market - bread produced by non-union or sweetheart union bakeries, and delivered by supply truck drivers, bottlers, distributors and jobbers on a low-cost basis. Your members, the honest with conscience-type Teamster labor agreements, cannot compete with these out-of-town bakers.

An effective aggressive way to correct this condition is for your Union to organize the unorganized, and equalize our labor costs.

Only you, as General President of the Teamsters International Union, can do the job needed to protect your bakery driver union members. Otherwise, more and more will lose their jobs through bakery see agency closings.

Sincerely,

*J. A. Jonsson*  
J. A. Jonsson

/s/  
cc: Mr. Harold J. Hibbs ✓

ADMINISTRATIVE FILE ✓  
General Baking Company  
-X Jonsson, J. L.  
-X

March 14, 1962

Mr. J. A. Jonsson  
General Baking Company  
122 East Forty-Second Street  
New York 17, New York

Dear Mr. Jonsson:

Your letter of March 8th, addressed to President Hoffa has been received in this office. I would suggest that you make arrangements to visit Washington at your earliest convenience and I will be happy to discuss this problem with you. President Hoffa's schedule is such as to prevent his sitting in and he has asked me to meet with you instead.

If the above is satisfactory, please phone me and we will set the necessary appointment.

Very truly yours,

H. J. Gibbons  
Executive Assistant  
to the General President

HJG/mc

GENERAL BAKING COMPANY  
122 EAST FORTY-SECOND STREET  
NEW YORK 17, N. Y.

OFFICE OF VICE PRESIDENT

*Handwritten signature: Harold*

March 8, 1962

Mr. James R. Hoffe,  
General President  
International Brotherhood  
of Teamsters  
25 Louisiana Avenue, N.W.  
Washington 1. D. C.

Dear Mr. Hoffe:

On May 12, 1961 I wrote to you asking for some help and consideration by you and the Teamsters regarding the high cost of selling and delivering baked goods to the home.

Within a day or two, you delegated Al Weiss to see me, which he did. I gave him voluminous facts about the problem.

I wrote up a brief resume of conditions with examples and mailed them to Al Weiss on May 31, 1961.

Around the latter part of October, Al Weiss and Wendell Phillips met with me. I told them the problem.

In the meantime, quite a number of companies have gone out of business in New England (Newton-Robinson in Hartford, Conn., Borck & Stevens in Bridgeport, Conn.) and New York City (Krug Baking), Freihofer Baking Company of Philadelphia, Pa. is hurting badly. Hatheway Bakeseries in Syracuse, N. Y. is about done. Continental's Hall Baking Co. in Somerville, Mass. threatened to go out of business and obtained free ride except for fringe benefit adjustments. My company is bleeding to death.

Just analyzing the above loss in membership, a close estimate shows that you lost better than 600 members - bakery drivers. You stand to lose over the next twelve months as many as 2000 members in addition.



- 2 -

The same conditions we face in home service apply to wholesale operations in every city where we operate - cheap bread is being produced outside our markets and shipped in on a drop delivery basis. This results in our inability to compete satisfactorily because we pay commissions to our Teamsters' bakery drivers vs. little cost by the out-of-town baker to his supply truck driver. Therefore, we get underbid constantly and lose business.

For example, in Buffalo, N.Y., Strohman out of Olean, N. Y. and Firch out of Erie, Pa. are killing your bakery drivers and four companies, namely General, Continental, National Biscuit, and Interstate. Your Business Agent, Robert A. Smith, can give you full details on this.

This is a serious problem which must be solved without delay. Too much business is being lost by us, and too many Teamster bakery drivers are being hurt either in the form of lost earnings or lost jobs.

I would appreciate an appointment with you to exchange ideas on the subject.

Sincerely yours,

  
J. A. Jonsson

/s/



ADMINISTRATIVE FILE

*General Baking Company*

X

X

November 28, 1961

Mr. Wendell J. Phillips, Sec. -Treas.  
National Bakery Division  
2450 17th Street  
San Francisco 10, California

Dear Sir and Brother:

I am in receipt of your report on the meeting held  
with General Baking Company and take this opportunity to  
thank you for your assistance on this matter.

Faternally yours,

James R. Hoffa  
General President

JRH/yk

November 20, 1961

TO: Mr. James R. Hoffa  
FROM: Messrs. Wendell J. Phillips and Abraham Weiss  
RE: General Baking Company

In accordance with your request, we met with Mr. J.A. Jonsson, Vice-President (Labor Relations) of the General Baking Company. Mr. Jonsson repeated essentially the same points contained in Mr. Weiss' September 26th memo to you (attached). He gave examples where he stated that his company is at a competitive disadvantage either because of non-union bakeries coming into areas in which his company operates, or because union competitors are working under contract with other Local Unions at lower wages and conditions than his company is required to pay in the same market.

His primary complaint, however, was with respect to the house-to-house branch of the baking industry. He stated that his company would have to have relief or the company would close their bakeries and go out of the house-to-house business. This is the situation facing the Holmes Bakery operation in Washington, D. C. They are currently operating in excess of 1700 house-to-house routes primarily concentrated in the New England, Northern New Jersey, Philadelphia and Baltimore and Washington areas. With respect to this portion of his business, and response to a question from Mr. Phillips, he stated that approximately one-half of their house-to-house business consists of bread products, and the other one-half sweet dough, pie and cake products. Mr. Phillips pointed out that the most successful house-to-house bakers have approximately 40% of their volume in bread products and 60% in the higher profit margin sweet dough, pie and cake products. He indicated that this was possibly one of the reasons why the company might be in difficulty. Mr. Jonsson stated that the local union in Philadelphia had been extremely co-operative in attempting to grant relief by acceding to the company's request for a variation of the 5 day week to five weeks worked at 6 days, with the sixth week off. However, he complained that this had not solved his problem and they were back where they started in the Philadelphia area.

To: Mr. James R. Hoffa  
From: Wendell J. Phillips and Abraham Weiss  
Re: General Baking Company  
Page 2.

Mr. Phillips questioned Mr. Jonsson extensively in order to determine just exactly what sort of relief the company was seeking. He was difficult to pin down, but eventually he stated that the only thing that could save the operation, in his opinion, was to convert all of the routes to a so-called franchise or independent operator status. Of course, you know that such a change would eliminate all of the fringe benefits such as pensions, health and welfare, vacations, holidays, etc., that have been built up over many, many years of collective bargaining. We stated that in our opinion the unions involved would never agree to this type of operation. It so happened that the Policy Committee of the Bakery Division of the Eastern Conference of Teamsters was meeting the following day in Philadelphia, and Mr. Phillips informed Mr. Jonsson that he would relay Mr. Jonsson's statements to that Committee. Mr. Phillips did so relay Mr. Jonsson's statements in Philadelphia and as expected, the Representatives there present indicated their unalterable opposition to the granting of this type of relief.

We don't know whether he will actually close their plants if the Unions do not agree to convert to franchise operation. That is something the Unions involved are in a better position to determine. However, it is our opinion that if he does, the chances are that some competitor will probably fill the vacuum.

We did indicate, with respect to his complaint about non-union competition, that it was the policy of our Union to do our very best to organize the un-organized, and that we would request the Local Unions involved where this situation existed to attempt to organize non-union competitors.

Mr. Jonsson stated he believed the International Union should undertake to organize the industry in order to protect the unionized areas.

# Bakery Wagon Drivers and Salesmen

Local Union No. 484

ROOM 101, I. A. of M. WELFARE BUILDING, 2450 - 17th STREET  
San Francisco 10

Telephone HEmlack 1-1461



Hours — 8:30 a.m. to 5:30 p.m.

November 17, 1961

Air Mail

Mr. Abraham Weiss  
International Brotherhood of Teamsters  
25 Louisiana Ave., N.W.,  
Washington 1, D. C.

Dear Al:

Enclosed please find my comments on your suggested draft  
of a memo to Hoffa.

I would suggest that you work them in along with your state -  
ments as being our joint report.

Fraternally yours,

*Wendell J. Phillips*  
Wendell J. Phillips  
Secretary

WJP/lp  
enc/  
ope-3-afl-cio(7)

Mr. Janson - General Baking  
Mon. 8/12/61

ECT mty - sent copy of  
concep. (AW & Jans)

> Things to do

- (1) Straighten out sales & delivery
- (2) IBT - how have to organize

Co letter - Whiting, W.R. - co  
trying to get Bessan common  
private label & sec. goods.  
Local common, but B.R. common  
(used it down. (+ assistance by  
Hartman).  
lost me (starting 10/22 -  
Strike Baking Co. - Parkersburg,  
B.R. - started drop deliv.  
to two stores (150 stores) - no  
common. Several others except  
Conventional (Wendell) were passed out of  
stores. (over)

∴ 1BT mbs + 1BT cos hunt

(do Strick. org. by Dist 15) -

1BT cos cant compete!

Co Thinks Stock is ABC made +  
out in Antwerp

Agency in Wheeling - 1BT

M+K Stores (35-40 stores) in

Wheeling - inches is alleged  
to have bought in - + supplies  
Stores with own product - Worker  
is still in stores (all others kicked  
out)

Dist 15 - Martins  
Ferry

Says locals ~~should~~ Dist should  
organize.

Several + Ward show losses - 12 mos  
1961. Government - sales + units are  
down on bank books



(2)  
Locals (after ECT out of the Plaza) -  
complaint of level of crop - after  
W Phillips met them in the

How can IBT permit these  
things to happen?

Says all other bakery cos are in  
same point - The IBT  
says we say worse than friends

cites 8/10 meals - Fresh  
coming in from Erie on drop  
delivered 19A  
(Gannett's Bakery - double  
its present 100 lbs) -

This effort Continental,  
Interstate, NAC, General, etc  
Takes sales 12-13% per sales dollar -  
other cos can't submit bids

Home Service -  
 - depends terms (and by Campbell's way)  
 - sells to franchisees @ 11-17% @  
 to do of grocer sales price  
 my map about - 39 - 45,000 per  
 route  
 app - specialty ops  
 2800 w - Arnold - franchise  
 man prop for travel, uniform, exp  
 31-40 to  
 350 mto - other 250  
 Complete  
 something drastic has to be done!  
 Home town after mfg of formaldehyde -  
 worst sit in office - viz - 7/10/60  
 where dump ship - 1960 - 1960  
 Strickman (man in no Co.) 1960  
 died & White (man in no Co.) 1960  
 These & White (man in no Co.) 1960  
 on 10/10/60, Govt. ordered pure of brand on  
 big bank - & 0.1% each had to meet ext.  
 + white made & upset - pres-  
 + printed - was

Stachn - only org plant is  
Mountain

Durkee - Rochester NY  
paw lotel this summer - 12  
stores.  
Cant compete cuz stores too high

Albany - Finkoffen - 10%  
we pay 13%

TELETYPE

Bakery

ADMINISTRATIVE FILE

General Baking Co.

X

X

November 1, 1961

C  
O  
P  
Y

Mr. Wendell L. Phillips  
National Bakery Division  
International Bro. of Teamsters  
2450 - 17th Street  
San Francisco 10, California

Dear Wendell:

Enclosed is a rough draft of the results of our meeting with Mr. J. A. Janssen, General Baking Company.

Please make any changes or additions you feel necessary and return to me.

Fraternally yours,

Abraham Weiss  
Economist

AW/lp  
Encl.

ROUGH DRAFT

TO: Mr. Jesse R. Hoffa

FROM: Messrs. Wendell L. Phillips and Abraham Weiss

RE: General Baking Company

This is a follow-up to Mr. Weiss' memo to you of September 26. In accordance with your memo, we saw Mr. J. A. Johnson, Vice President (Labor Relations) of the company.

Mr. Johnson repeated essentially the same points contained in the September 26 memo to you. He cited the same examples where his company is at a competitive disadvantage either because non-union firms come into the areas which they serve, or because their rates and conditions are higher than those of their competitors in the same area, because these competitors have agreements with other Teamster local unions.

Mr. Johnson stated that the home service (house-to-house) delivery situation was critical and that he was seeking some relief or the company would get out of the house-to-house business. He indicated at this point that he realizes that neither the company nor the local union can ask for a reduction in commissions on this type of service.

However, he indicated that the company, in order to salvage and retain house-to-house was seriously considering going on a franchise (owner-operator) basis. We indicated to him that the union was not prepared to give away what it had fought for over the years by accepting this type of delivery system.

Mr. Johnson also urged that the Teamster local unions with jurisdiction in



is the bakery industry organize non-union bakeries. Mr. Phillips indicated that he was going to attend the Policy Committee of the Eastern Conference Bakery Division in Philadelphia the next day and would relay Mr. Jonason's request to them.

Mr. Phillips brought out during the course of the discussion that the route averages in this company are too low and also that the company is not selling a high enough proportion of the higher margin sweet goods and other commodities and that the percentage of bread in relation to sweet goods on any given route was too high.

Mr. Jonason indicated that in Washington, D. C. the company was considering eliminating their home service operation (Holmes Bakery) unless they got relief. In the Newark area Mr. Jonason maintained the company pays the highest rates (base rate and fringes) for home service delivery than anywhere else, while its competition in the same area pays lower rates under a contract with another Teamster local union.

In response to the basic problem of non-union operators coming into non-union markets with cheap bread and a private label, we pointed out that the answer was not to drag union conditions down to non-union levels.

For your information, we learned that the company presently operates about 1,700 home-to-house routes. Taking into ~~add~~ account swing men, packers, working supervisors, etc., etc., this represents 2,000 to 3,000 employees.

AM/lp

From the Desk of:  
JAMES R. HOFFA

10/4/61  
Date

Al:

Send copy of attached to Wendel I J. Phillips  
and explain to him what it is about. Have  
him contact this guy.

*Bakery Workers*  
X  
ADMINISTRATIVE FILE  
*General Baking Co.*  
X  
X

October 4, 1961

C  
O  
P  
Y

Mr. Wendell J. Phillips  
Teamsters' National Bakery Div.  
2450 - 17th Street  
San Francisco 10, Calif.

Dear Wendell:

As a follow-up to our talk today, I am sending you a photostat of a memo which I drafted to General President Hoffa on the problems of the General Baking Company. A copy of this Company's letter to General President Hoffa is also enclosed.

Mr. Hoffa asked me to send you a copy of this memo, to discuss it with you, and to request you to get in touch with Mr. Jonsson of General Baking Company.

Let's discuss this during the Western Conference meeting for further action.

Fraternally yours,

Abraham Weiss  
Economist

AW/lp  
E:ole.

MEMORANDUM

TO: James R. Hoffa

September 26, 1961

FROM: A. Weiss

I met with Mr. J. A. Jonsson, Vice President (Labor Relations), General Baking Company, in accordance with your memo to me dated May 16, 1961. Your memo and Mr. Jonsson's letter of May 12, addressed to you, are attached.

Mr. Jonsson stated that he wrote to you because this is a general problem for the International Union, its various locals, the company and the industry.

Mr. Jonsson emphasized the following points, some of which deal with home service (house-to-house) delivery and others with wholesale (store) delivery. You will note that in some instances, the problem is non-union competition; in others, it is union competition operating under different (more favorable) contracts because there are different Teamster locals in the same market.

Attached to this memo is a tabulation of three markets in which the company operates, which compares General Baking Company's wage and commission schedule with union and non-union competitors and the drivers' earnings at specific dollar route averages.

Mr. Jonsson's points are as follows:

House-to-House Deliveries

1. Non-union bakers pay their driver-salesmen lower commission rates than General Baking (and other union firms).

For example, in upper New England (Massachusetts, Dover, N.H., and Portland, Maine), General has to compete with Cushman's, which operates on a franchise basis under which the driver owns the truck, buys bread at 30%, must post bond, stands his own credit, is restricted on returns, is responsible for gas, oil, insurance, etc.

Another example: Of 16 bakeries in the Baltimore area, in only 3 are the production people organized (General, Ward and Pariser) and in only 5 (General, Ward, Heying, Pariser and Mrs Smith's) are the driver-salesmen organized. (One of these five -- Heying -- delivers only by hourly rated Transport Drivers).

General Baking Company's commission for retail (home service) routes in Baltimore is 23% plus \$7.50 base. The company's leading competitors (Capitol and Rice), which are unorganized in their production and distributing operations, pay 20% commission, with no base.

In addition, General contributes \$3.50 for health and welfare and \$4.00 for pensions per week per employee.

The Baltimore market is also unique in that home service milk driver-salesmen deliver bread, rolls and sweet goods such as doughnuts to the customer as an incidental and additional source of business to their normal operations. The commissions

September 26, 1961

paid by the dairy companies (some of which are IBT-organized) are less than General's commission rate, as shown in the attached table.

2. General Baking pays higher commissions than other union bakers in the same market.

This situation arises because different Teamster locals operate in the same market, as, for example, Bridgeport, Conn. and Northern New Jersey.

The company cited Dugan Bros. in both locations to illustrate its point.

In Newark, General Baking deals with Local #194; Dugan deals with three other IBT locals. Dugan's contract provides 6 day (swing man) operation; General operates on 5 day basis (drop out). The different commission schedules and "earnings" potential are summarized on the attached "Earnings" tabulation.

In Bridgeport, General Baking is covered by the New England Master Bakery agreement; Dugan is not. General's contract calls for 5 day operation; Dugan's operates 6 days. See tabulation for commissions and earnings comparison.

3. Cheap wholesale bread in home-service markets supplied by non-union bakers outside these markets.

Examples:

Philadelphia --

Schultz Baking Company - Pottstown, Pa.  
Rossi Baking Company - Trenton, N. J.  
Hershey Baking Company - York, Pa.

Schultz -- Production workers organized by Retail and Wholesale Union with rates about 30¢ an hour below Philadelphia rates; delivery men unorganized./1 Schultz sells bread at the dock for 11¢ to bobtailers who sell it to the stores at 13¢. The customer's price is 15¢.

Northern New Jersey --

Heiabach Baking Company - Allentown, Pa.  
United Baking Company - Schenectady, N.Y.

Heiabach -- Delivers bread by supply trucks to chain stores (private label), warehouse delivery.

United -- Grocery co-op, including a bread bakery. Non-union bobtailers deliver to Newark and Harlem (NYC) a king-size bread selling for 2-5¢ less than General's wholesale price.

Schultz also supplies Gourmet in the Northern New Jersey area with a private label brand, on an hourly, warehouse delivery basis. Gourmet is under contract to Local #194 providing for wholesale delivery to Gourmet stores at a lesser commission than General Baking Company's contract with Local #194. General claims its commission rate is at least double Gourmet's rate. Gourmet stores

/1 - Jack Backhus forced the Schultz bobtailers to pay Health and Welfare and Pension and dues to his Local.



Mr. James R. Hoffa

-3-

September 26, 1961

sell bread on weekends or for an entire week for 9-11¢ a loaf, and General claims it can't compete.

New England --

Charles Freihofer Baking Company - Albany, N. Y.  
United Baking Company - Schenectady, N. Y.  
Gerrest Baking Company - Manchester, N. H.  
Stroehman Baking Company - Hazelton, Pa.

4. Chain-store bakeries provide cheap bread in home-service markets without paying home-service commissions.

It is in the comparatively lesser wage payments to delivery men that chain store bakeries derive their greatest competitive advantage. In the majority of instances in Baltimore, the chain store driver and his helper, if any, are hourly paid employees or are on a flat weekly wage.

As a result, chain store bread is sold at a lower price. In Baltimore, for example:

	<u>13 oz.</u>	<u>16 oz.</u>	<u>20 oz.</u>	<u>24 oz.</u>
General Baking		24¢	26¢	
Acme Markets		2/35¢		26¢
		21¢		
Food Fair	2/35¢		25¢	
A & P		2/35¢		26¢
Grant Stores		2/35¢		26¢
Penn Fruit		2/35¢	25¢	26¢

Thus, food store chains in Baltimore enjoy a price differential of 3¢ to 6¢ per loaf of bread of comparable size.

In New York, the price differential is 6-7¢ a loaf at the store level.

5. Union bakers from outside the market supply chain stores with private label, cheap bread on a warehouse-delivery basis.

Examples:

Northern New Jersey --

Spsulding Baking Company for Food Fair Stores

New England --

Gerrest Baking Company - Manchester, N. H.

September 26, 1961

Wholesale Deliveries

1. Grocery chain serviced by union commission drivers makes a deal with a union baker outside the market for warehouse delivery.

Example:

Firsch, Erie, Pa. - supplies Buffalo (N.Y.) IGA chain with private label on warehouse delivery basis by supply trucks. The Buffalo local had rejected a request for lower commissions by large wholesale bakers (General, Continental, Interstate and National Biscuit Co.).

2. Chain stores operating their own bakeries, with deliveries on hourly-rate, drop-shipment basis.

The above outline highlights the main points of Mr. Jonsson's analysis of the problems facing his company, the industry, and our locals.

During the discussion, he also made additional comments which may be of interest. Higher commission rates, he maintained, do not seem to provide the incentive they should. Driver-salesmen seem to remain content with their past level of earnings rather than hustle for new sales to counteract higher commissions. Sales go down almost as much as the rise in commission rates.

Re: House-to-House

Sales are necessarily limited on 5-day operations. Bakers can't pay higher commissions unless they get higher sales, but the company can't get sales up if time is limited on a 5-day week basis.

Another squeeze on home service, he stated, is that the unions don't realize that house-to-house can't pay as much as wholesale because of the difference in volume of sales. On the average, sales in home service are half those on wholesale routes. Yet fringe benefit contributions, etc. are the same for both branches of the industry.

Another problem is that home service drivers insist on early starting time, just as wholesale drivers. Leaving the bakery at 5:00 A.M. means that the driver can't show the housewife the full line; he can only leave bread on the doorstep.

The company has tried to get into allied products at a lesser commission (in New England, for example). This isn't the answer, he feels, since the company has bakery plants to support and these products dilute the driver's time in selling baked goods.

September 26, 1961

The baking industry needs a moratorium, he maintained, if they can get a 6 day operation at no increased cost over 5 day operation -- this will help the men, the unions, and the company.

He complained of the fact that one Teamster local disregarded or ignored what another local gave to a competitor. For example, he said, Dugan is "losing its shirt" at lower commission rates than General has to pay, and General is also losing at the higher commission rates.

A lesser commission does not materially help the baker as against warehouse delivery. The company prefers warehouse delivery -- by supply truck to the dock of a common warehouse. This means two types of delivery in a single market (commission deliveries to the small stores). A lower commission does, however, tend to help the industry in justifying lower prices to the Federal Trade Commission.

General's New England and Newark markets are operating at a loss, hemaintained, with the losses supported by the rest of the company's operations.

Automation of manufacturing operations, with fewer workers, has helped to support the route commission system.

Mr. Jonsson cited the Northern New Jersey market as illustrating the "load" on home service delivery. The scale is \$10 base plus 27% commission. On a \$400 route average, this represents 29½%. As of May 1, 1961, the company's contributions for health and welfare and pensions will go to \$13 a week. This represents an additional 3½%, making a total of 33% (excluding uniforms, vacations, holidays, etc.)

To stay in business and make a profit on home service delivery, the maximum commission outlay should not exceed 30%.

Re: Wholesale Delivery

To be fully competitive with chain stores, the wholesale bakers need warehouse delivery with commissions no higher than the present level to apply to the "Mom & Pop" routes. Although the impact of fringe benefit costs is less on wholesale routes, because of higher route averages, there are more and more chain store bakeries and, therefore, less business for the wholesale bakers.

The basic need, he maintained, in both wholesale and house-to-house, is more sales (but a 5-day week serves as a brake on greater sales, especially house-to-house).

Jonsson doesn't know what the long run will provide. The market is shrinking; chain stores are doing their own baking; chain stores provide only limited display space to the wholesale brands; more "Moms & Pops" are disappearing.

He believes the industry has reached a saturation point in costs and that it needs a moratorium. The only way to stay in business is to get the cost to

Mr. James R. Hoffa

-6-

September 26, 1961

the dock down and raise the price of bread (which would automatically give the driver-salesmen a raise without increasing commission rates).

(Jonsson didn't touch on the fact that raising prices would widen the spread between chain store bread and branded loaves.)

Mr. Jonsson's letter indicated he would very much like to sit down with you to discuss these problems. Please advise.

AW/lp  
Encl.

# EARNINGS

	<u>Base</u>	<u>Commission</u>	<u>Guarantee</u>	<u>\$350</u> <u>Route</u> <u>Average</u>	<u>\$400</u> <u>Route</u> <u>Average</u>	<u>\$450</u> <u>Route</u> <u>Average</u>	<u>\$500</u> <u>Route</u> <u>Average</u>
<u>BRIDGEPORT</u>							
Dugan	\$45 on sales up to \$170	24% 171-350 28% 351-400 28% over 400	\$75.00	\$87.46	\$101.96	\$116.46	\$130.96
General		27% to 350 27% 351-425 28% over 425	74.00	94.50	108.25	121.53	135.53
Cushman's (Maine, New Hampshire, Mass.) Driver owns truck, buys bread at 30%, must post bond, responsible for gas, oil, insurance, etc.							
<u>NEW JERSEY (northern)</u>							
Dugan		26% to 350 28% 351-400 29% over 400	75.00	91.00	105.00	119.50	134.00
General	\$10.00	27%	85.00	104.50	118.00	131.50	145.00
Johanna Farms	Drivers sell 1 lb. loaf at 25¢, 6¢ commission to salesman.						
<u>BALTIMORE</u>							
Capitol		20%	70.00	70.00	80.00	90.00	100.00
Rica		20%	75.00	70.00	80.00	90.00	100.00
General	7.50	23%	75.00	88.00	99.50	111.00	122.50
Milk Drivers Delivering Bread, Rolls & Sweet Goods							
Western Maryland Dairy		18%		63.00	72.00	81.00	90.00
Kress Dairy		18%		63.00	72.00	81.00	90.00
Koonts Dairy		18%		63.00	72.00	81.00	90.00
Greenspring Dairy		17%		59.52	68.00	76.52	85.00
Wills Dairy		10% + 1¢ p/loaf		Cannot estimate.			
Cloverland		10% + 1¢ p/loaf		"	"	"	"
Wilton Farm		10% + 1¢ p/loaf		"	"	"	"
Royal Dunloggin		10% + 1¢ p/loaf		"	"	"	"
Aristocrat				"	"	"	"
Willow Farms				"	"	"	"
Knoxes				"	"	"	"
Swiss Valle				"	"	"	"



ADMINISTRATIVE FILE

*General Baking Co.*

X

X

GENERAL BAKING COMPANY

420 LEXINGTON AVENUE  
NEW YORK 17, N. Y.

OFFICE OF VICE PRESIDENT

July 21, 1961

Mr. Abraham Weiss  
Chief Economist  
International Brotherhood  
of Teamsters  
25 Louisiana Avenue, N. W.  
Washington 1, D. C.

Dear Al:

It has been several months since we  
talked about General Baking Company's  
home-service distribution problems.

Can I do anything further about sup-  
plying additional information which you  
may need? Have you sent in your report to  
Mr. Hoffa?

Please let me know what the present  
status is.

Best regards.

Sincerely yours,

*Asv*

J. A. Jonsson

/ep



COPY

GENERAL BAKING COMPANY  
420 Lexington Avenue  
New York 17, New York

PERSONAL and CONFIDENTIAL

May 31, 1961

Mr. Abraham Weiss  
Chief Economist  
International Brotherhood  
of Teamsters  
25 Louisiana Avenue, N. W.  
Washington 1, D. C.

Dear Al:

In accordance with your request, I am enclosing (1) the company brief in the Baltimore arbitration case and (2) a comparison of home-service earnings in several of the markets in which we operate.

In view of the fact that the brief contains confidential information, please use it with discretion. Competition is tough enough without letting our competitors know too much.

In the case of wage comparisons, you will note that in the New England and Northern New Jersey markets we suffer an unfair higher differential in wages than our competitors who deal with different locals of the Teamsters' Union. In the Baltimore area all our competition in the baking industry (home service) is non-union. I am not sure whether the milk drivers selling baked products are union.

Although you took voluminous notes, I am enclosing a summary of the important points which I gave you during our discussion roughly a week ago. Many of these points apply to wholesale distribution as well as to home-service distribution.

As I mentioned to you, I hope that you and I can get together for a few minutes before you hand in your final report to Mr. Hoffa. There may be additional information available at that time which I am not presently aware of.

Sincerely yours,

J. A. Jonsson

/s/

Enclosures (3)

HOME SERVICE - SUMMARY

1. Non-union bakers pay their driver-salesmen lower commission rates than we do.

Examples:

Baltimore  
Upper New England  
Northern New Jersey

Note: All of the above locations are set forth in the "earnings" sheet which is attached.

2. Union bakers pay lower commissions than we do -- different locals of the Teamsters' Union in the same market.

Examples:

Bridgeport, Connecticut  
Northern New Jersey

3. Cheap wholesale bread in home-service markets, which is supplied by non-union bakers outside our markets, hurts our sales.

Examples:

Philadelphia --

Harbary Baking Company,  
York, Pa.

Behlts Baking Company,  
Pottstown, Pa.

Rossi Baking Company,  
Tranton, New Jersey

Northern New Jersey --

Heimbach Baking Company,  
Allentown, Pa.

United Baking Company,  
Schenectady, New York

New England --

Charles Freihofer Baking Company,  
Albany, New York

United Baking Company,  
Schenectady, New York

New England (continued) --

Denest Baking Company,  
Manchester, New Hampshire

Steenmann Baking Company,  
Haselton, Pa.

4. Chain-store bakeries provide cheap bread in home-service markets without paying home-service commissions.
5. Union bakers free outside the market supply chain stores with private-label, cheap bread on a warehouse-delivery basis.

Example:

Northern New Jersey --

Spaulding Baking Company for  
Food Fair Stores

6. Higher sales are necessary to pay for higher commission rates -- this is the only way we can recover increased cost of distribution. The reverse happens -- sales slough off so that driver-salesman continues to earn the same as before.

# E A R M I N G S

	Base	Commission	Guarantee	\$350 Route Average	\$400 Route Average	\$450 Route Average	\$500 Route Average
<u>BRIDGEPORT</u>							
Dugan	\$45 on sales up to \$170	24% 171-350 28% 351-400 28% over-400	\$75.00	\$ 87.46	\$101.96	\$116.46	\$130.96
General		27% to 350 27 1/2 351-425 28% over-425	74.00	94.50	108.25	121.53	135.53
Cushman's (Maine, Mass., New Hampshire)	driver owns truck, buys bread at 10%, must post bond, responsible for gas, oil, insurance, etc.						
<u>NEW JERSEY (Northern)</u>							
Dugan		26% to 350 28% 351-400 29% over-400	75.00	91.00	105.00	119.50	134.00
General	\$10.00	27%	85.00	104.50	118.00	131.50	145.00
Johanna Farms	drivers sell 1-lb. loaf at 25¢, 6¢ commission to salesman.						
<u>BALTIMORE</u>							
Capitol		20%	70.00	70.00	80.00	90.00	100.00
Kice		20%	75.00	70.00	80.00	90.00	100.00
General	\$7.50	23%	75.00	88.00	99.50	111.00	122.50
<u>MILK DRIVERS DELIVERING BREAD, EGGS &amp; SWEET GOODS:</u>							
Western Maryland Dairy		18%		63.00	72.00	81.00	90.00
Kress Dairy		18%		63.00	72.00	81.00	90.00
Koontz Dairy		18%		63.00	72.00	81.00	90.00
Greenspring Dairy		17%		59.52	63.00	76.52	85.00
Wille Dairy	10% + 1¢ per loaf			Cannot estimate			
Cloverland	10% + 1¢ per loaf			"	"	"	"
Wilton Farm	10% + 1¢ per loaf			"	"	"	"
Royal Dunloggin	10% + 1¢ per loaf			"	"	"	"
Aristocrat	10% + 1¢ per loaf			"	"	"	"
Willow Farms				"	"	"	"
Knokes				"	"	"	"
Swiss Vaile				"	"	"	"

CONFIDENTIAL

COPY

GENERAL BAKING COMPANY  
420 Lexington Avenue  
New York 17, New York

July 21, 1941

Mr. Abraham Weiss  
Chief Economist  
International Brotherhood  
of Teamsters  
25 Louisiana Avenue, N. W.  
Washington 1, D. C.

Dear Al:

It has been several months since we  
talked about General Baking Company's home-  
service distribution problems.

Can I do anything further about supply-  
ing additional information which you may need?  
Have you sent in your report to Mr. Hoffe?

Please let us know what the present  
status is.

Best regards.

Sincerely yours,

J. A. Johnson

/ep



COPY

CONFIDENTIAL

GENERAL BAKING COMPANY  
420 Lexington Avenue  
New York 17, New York

November 8, 1961

Mr. Thomas Carroll, Sec.-Treas.  
International Brotherhood of Teamsters,  
Chauffeurs, Warehousemen and  
Helpers of America, Local 494  
650 Beacon Street  
Boston, Massachusetts

Dear Tee:

As I promised, I am enclosing herewith all my correspondence with Mr. Hoffa and Al Weiss.

The letter to Mr. Hoffa was sent on May 12, 1961. The letters to Al Weiss were sent on May 31 and July 21, 1961.

I cannot stress enough the problems that General Baking Company and the entire industry are having in the home-service field particularly, and in the wholesale field secondarily. I know that some of the faults lie on our doorstep. However, we are attempting to correct these faults. On the other hand, I see no action whatsoever on the part of the Teamsters' International Union toward assisting their friends by equalizing competitive conditions through organization efforts.

It seems a shame that some of our employees, who are also members of your union, face the possibility of loss of work because you and we don't seem to be able to find the appropriate answers to these very serious problems.

Although I have extreme respect for the Teamsters' International Union and all the Teamster representatives with whom I have bargained over the past 25 or 30 years, I feel that more can be done aggressively along certain lines than has been done in the past.

As I stated to Wendell Phillips and Al Weiss the other day prior to your meeting, I have always found Teamster representatives to be men who keep their word. They are usually tough but fair. However, they and we cannot hide our heads in the sand and hope that things will turn out all right. What is needed now is strong, aggressive action to get our industry over the hump. Our employees, who are also your members, look to us jointly for job security. We should not and cannot fail them.

Sincerely,

J. A. Johnson

10p  
enclosures

(Above letter also sent to: Emmett Cuddey, John Backhaus, John Hartigan, James Catanaro. In addition, talked to: Bobby Smith, Frank Dickerson, Ed Sullivan, Jack Scherer, Gene Kapiarski, Al Sabin.)



Office of the General President

To: Al Weiss

From: James R. Hoffa

5-16-61

DATE

Communication from J.A. Jonsson  
General Baking Company

I attach communication from J.A. Jonsson which is  
self-explanatory.

Would you please arrange to meet with Mr. Jonsson?

*James R. Hoffa*  
J.R.H.

JRH/mr

GENERAL BAKING COMPANY

420 LEXINGTON AVENUE

NEW YORK 17, N. Y.

LE 2-6500

OFFICE OF VICE PRESIDENT

May 12, 1961

Mr. James R. Hoffa  
General President  
International Brotherhood  
of Teamsters  
25 Louisiana Avenue, N. W.  
Washington 1, D. C.

Dear Mr. Hoffa:

I have dealt with Teamster representatives for better than twenty-five years and have always found them to be men who keep their word. They are usually tough but fair.

At present I am working for General Baking Company which employs many thousands of Teamster Union members throughout the United States.

Although we have many problems in the baking industry, a critical one for us is the high cost of selling and delivering baked goods to the home.

I would appreciate an appointment with you to exchange ideas on the subject.

Very truly yours,

*J. A. Jonsson*  
J. A. Jonsson

/ep

*Weiss to  
meet him -*

MEMORANDUM

ADMINISTRATIVE FILE  
General Baking Company  
Franklin McVey  
X

March 11, 1957  
To: Kinar Mohn  
From: Abraham Weiss (S)  
Re: Telephone call from Emile Libresco, General Baking Company

Mr. Libresco called today to advise me that he has been informed by a Chicago baker that Omar has been sending bread into Chicago via Franklin McVey, a trucker, for delivery to IGA stores in Chicago. Libresco does not know where the bread is being baked, but believes it may be Milwaukee.

Libresco does not know whether it is Bill Lee's local or another local in Chicago which has organized McVey and signed a contract, presumably to keep McVey from being signed up by a cartage local. McVey's men are being paid on an hourly basis; no commission salesmen are employed.

Libresco raises the question of a decision on his company's proposed operation in Kansas City, where his company has customers lined up. He stated that he would be willing to adjust the proposed Kansas City operation to conform to what is now being permitted in Chicago; or to use the Indianapolis arrangement which Eddie Davis' local agreed to, that is, hourly paid delivery to certain stores only. (Apparently even though the Indianapolis local agreed to hourly paid delivery, General Baking couldn't line up customers. General Baking only had house to house delivery in Indianapolis).

ADMINISTRATIVE FILE

*General Baking Co.*

GENERAL BAKING COMPANY  
420 LEXINGTON AVENUE  
NEW YORK 17, N. Y.

X

DIRECTOR  
INDUSTRIAL RELATIONS

September 24, 1956.

Dear Al,

When I met informally with you in Boston, we discussed once more our company's proposal to serve certain stores with private label bread in Kansas City, employing special delivery drivers. You will recall I showed you a recent letter (September 11, 1956) from our manager, concerning new entries into the Kansas City market by competitors selling private label bread to super markets at a lower price. Of course they are able to do so because these competitors are not paying commission on the sales.

Our failure to meet this competition has put our company at a serious disadvantage. Naturally we cannot meet this competition unless we receive the full cooperation of the Teamster's Union and are thus able to provide service to super markets by special delivery drivers.

Here are some excerpts from our manager's letter to me which, I feel, are pertinent:

"There are increased demands by super market operators for a lower priced loaf of white bread to meet chain store cheap-priced breads.

"Several of our Thriftway Super Markets have taken Hearty's Hy-Klas Bread which they are selling 2 for 25c. It is my understanding they will have it in all 18 of their co-operatively operated super markets.

"Van's Super Market has taken in Sally Ann Bread which is a cheap priced loaf.

-2-

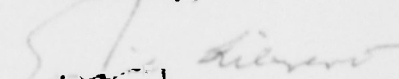
September 24, 1956.

Mr. Al Weiss,

"I feel certain the Winco, Fleming, Contown and other super market operators are not going to sit and wait for us much longer. If we are to successfully market a cheap loaf we must get action immediately or give up entirely on the idea. It is very questionable how much longer we will be able to keep them in line."

I hope that this material proves helpful in securing cooperation from the Union.

Sincerely,

  
Emilio Ilibresco

Mr. Al Weiss, Economist  
International Brotherhood of Teamsters, A.F.I.-C.I.O.  
25 Louisiana Avenue  
Washington, 1, D. C.

ADMINISTRATIVE FILE

General Baking Company

July 3, 1956

C  
O  
P  
Y

Mr. Emile Libresco, Director  
Industrial Relations  
General Baking Company  
420 Lexington Avenue  
New York 17, N. Y.

Dear Emile:

Please excuse the delay in acknowledging your letter of June 14th, in which you answer several questions dealing with your proposed method of delivery in Kansas City. I appreciate your cooperation.

This matter is under active consideration at the present time.

Sincerely yours,

ALW:el

Abraham Weiss  
Economist



ADMINISTRATIVE FILE

*General Baking Co.*  
*Libresco, Encls*

*OK*

## General Baking Company

420 Lexington Avenue New York 17, N. Y.

January 21, 1954

Mr. David Kaplan, Chief Economist  
Intl. Brotherhood of Teamsters  
100 Indiana Ave., N. W.  
Washington 1, D. C.

Dear Mr. Kaplan:

I know that you are vitally interested in the problems we in this industry face together. I know that you will be interested in the enclosed message which Mr. Morrison delivered to the Newspaper Food Editors' Conference.

Sincerely,

*Encls Libresco*

Encls Libresco  
Labor Relations

SL:JL  
Encl.

Bond Bread

***Message***

*from*

**Mr. George L. Morrison**  
Chairman of Board and President

**GENERAL BAKING COMPANY**

*to*

**Newspaper Food Editors'  
ANNUAL CONFERENCE**

Drake Hotel  
Chicago, Illinois      October 6, 1953

IT IS A PLEASURE to be your host this evening, but tonight is something more than a purely social occasion. Tonight we have the opportunity to speak on a subject dear to our hearts, and you are the most important audience in America to hear our words.

You, the food editors of the nation, hold within your hands a tremendous power. In your hearts you feel toward that power the same reverence which we as bakers feel for man's basic food. Yours is the power to control the nutritional destiny of a nation.

Whatever you think or you write about food, the people will believe. The health of the nation depends upon the diet of the people, and it is axiomatic that the destiny of a nation depends upon the national health.

This nation is the strongest and most capable in the world today. We have faced crisis after crisis, endured blow after blow, and have arisen stronger than ever before. We are the very spirit of abundance. We produce splendid planes and deadly guns, we produce great machines to make the goods of peace, but in peace or war we have the healthy men and women to man the machines, fight the battles, and keep our nation great.

The farmers, the bakers, the millers, the meat packers of America, the most skilled and industrious in the world, the vital producers of food stand shoulder to shoulder with the producers of goods and machines

to preserve this greatness throughout the years. They are America's first line of defense against disease and want, as they are the first line of defense against human foes.

But, for some illogical reason, the bakers of bread have been singled out from this great team for continuing attacks against their product. Every crackpot or confusion monger who dedicates himself to a diet of yogurt, blackstrap molasses and head cheese feels compelled to lash out against bread, man's basic food.

Every time a food faddist decides to turn a fast dollar he preaches a doctrine dedicated to the proposition that most of man's troubles lie in bread, and he has some nutritionally worthless substitute to offer for this age-old Staff of Life. The doctors know better. The American Medical Association knows better. The vast majority of all medically prescribed diets include bread, enriched bread, whole wheat bread, or both.

North, South, East and West a new upsurge of intemperate and patently false attacks against bread have raised their heads in "Letters to the Editor" columns. These bottomless attacks appear in every corner of the land. Why?

They have been raised because the public does not know the nutritional truth about bread. Mark you, we have no complaint against reasoned criticism of bread. We welcome publication of sane and reasonable comments, because from these we learn. But the flood of propaganda and half truths unleashed by fanatic proponents of starvation diets has seriously misled the people. The issue has been so

beloued that a grave public misunderstanding exists today. Our great desire is to get the facts before the people, and these facts are unchanging.

Authorities such as Henry Sherman of Columbia University recommend that bread form up to 40% of our total caloric consumption, and I quote, "for reasons of digestive comfort and nutritional well being as well as economy." Elmer L. Henderson, past president of the American Medical Association, declared, and again I quote, "Our nation owes a debt of gratitude to the scientists, the doctors, the millers and bakers of America who voluntarily brought to the people one of the most significant contributions to better health in our generation, enriched bread."

You are the moulders of public opinion in matters concerning food. You are the ones to present the facts to the American people. This is not a piece of special pleading. We ask you to act in the national interest!

I want to stress the availability of these facts. There is no data on bread that is farther from you than one telephone call. The General Baking Company stands ready to answer any question you may have. We will, if necessary, set up a separate information bureau in our headquarters to provide unbiased facts on bread and the baking industry. I cannot speak for other organizations, but I am confident that any baking company will do the same.

We invite investigation into the worth of bread. We ask you to probe into our operation. You will find no dark corners. We live in a goldfish bowl, and we are

afraid of nobody. Our bread today contains more calcium, more iron, more of the B vitamins than ever before. You have to look long and hard in this country to find a bad loaf of bread. We of Bond feel we make the best bread, naturally, but our competitors make good bread too. I refer to Ward, Continental, Purity, Interstate, Gordon, Campbell Taggart, the New Process Baking Company and the hundreds and thousands of other bakers throughout the country whose lives are dedicated to serving to the American people the Staff of Life.

When we ask you to give the truth to the people, we know that some will still criticize our product. We want you to place any reasoned criticism before the public too. Give it the widest coverage. It stands to reason that we will see it, and I assure you we shall examine it closely. Any indicated research or analysis will be accomplished at once, and we will be quick to remedy any situation in which we have been remiss.

The taste and preferences of the great majority of the American people are our master. Today we produce no less than eight distinct types of bread to satisfy varying tastes. If there is a widespread demand for another type of bread, we will bake that bread for the people. We are businessmen, and our production schedules can be adjusted to meet the demands of the majority, to give the people what they want.

We have nothing to fear from the truth. When we ask you to put it before the public we know that the truth fights on our side. I thank you.



ADMINISTRATIVE FILE  
*General Baking Co.*  
X *Libresco, Emily*  
X

## General Baking Company

420 Lexington Avenue New York 17, N. Y.

December 16, 1953

Mr. Dave Beck, President  
International Brotherhood of Teamsters,  
Chauffeurs, Warehousemen and Helpers  
of America, A. F. of L.  
100 Indiana Avenue, N. W.  
Washington 1, D. C.

Dear Mr. Beck:

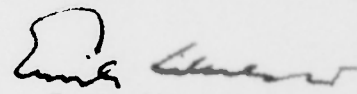
I am glad that I had the opportunity of talking with you on Monday about serious economic consequences of the use of swingmen in the baking industry. I hope that you may find the time to give serious consideration to our mutual problem.

I was particularly interested in your comment that the baking companies who operate on the West Coast with a 5-day work week but without swingmen, are operating profitably. This would seem to bear out our company's contention that there would be no loss in business if all of the large companies who are important factors in the given market were to decide to dispense with this wasteful practice.

I hope that we can meet again at a time mutually convenient two or three months from now so that I can provide you with the facts on our company's experience with a drop-out day.

Thanks again for the courtesy which you and your staff have extended.

Sincerely,

  
Emily Libresco

KL:rtg

Bond Bread